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MOVEMENT OF WHOLESALE PRICES IN NEW YORK CITY, 1825-1863.

BY CARL H. JUERGENS.*

The price quotations upon which this study is based were secured from the Report of the Secretary of the Treasury on the state of the finances for the year ending June 30, 1863† This report furnishes maximum and minimum prices at the beginning of each month for about eighty-seven articles. A few of these articles, like clover and timothy seed, were omitted because they did not seem suitable for inclusion in a consumer's index number, and a few others could not be used because the same quality or grade was not quoted throughout the entire period. Yearly quotations for seventy-four articles, however, were found to be serviceable and the following statistics are based upon these articles. The maximum and minimum monthly prices of each article were averaged in the first place, and from these monthly averages an average yearly price was computed. The results of this computation appear in Table I. Then, in the second place, using the average prices of 1860 as a base or datum line, relative prices or index numbers were computed for each year covered in the investigation. The average of these seventy-four relative prices furnishes in each year the simple index number. The relative prices and index numbers appear in Table II, and a curve of the index numbers is found in Graph I.

Table III and Graph II represent an attempt to produce a weighted index number. The weights employed and other details of the computation are shown in the table. The writer recognizes that the weights represent little more than careful guesses, and on the whole is not inclined to place much confidence in this section of the paper. Inasmuch, however, as the work of weighting was performed the results

* In the preparation of the charts and tables, valuable assistance was received from Mr. H. H. Siefert.

† Statement No. 27, p. 283-401.

TABLE I: YEARLY AVERAGE PRICES — 74 COMMODITIES — NEW YORK MARKET — 1914-1918

Commodity	Unit	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106
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7	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863
4	5.84	5.77	5.82	5.71	5.35	5.32	6.44	8.92	7.73	9.76	2.08	6.06	4.75	4.46	5.25	5.15
6	8.89	11.69	9.09	8.87	10.72	9.20	10.90	11.47	9.48	12.26	10.49	7.59	5.18	5.68	2.84	6.84
8	11.60	8.74	9.08	8.43	11.52	15.54	13.68	11.98	16.48	15.23	18.37	14.04	12.00	11.17	9.97	11.59
16	11.12	10.79	10.63	14.02	17.20	16.09	13.78	17.50	18.57	19.95	17.19	16.38	17.90	15.90	12.29	14.39
				12	10	10	10	13	14	14	14	14	14			
0	07	07	06	08	10	11	10	11	12	14	10	11	11	09	08	10
1	2.88	2.52	2.60	2.83	3.45	3.32	3.37	3.84	3.86	3.72	3.43	4.12	3.82	3.02	3.88	5.29
2	5.45	10.71	10.80	9.97	10.06	13.47	16.21	20.12	21.05	18.71	11.65	15.03	16.71	11.64	15.32	17.46
	16	15	16	13	17	14	17	22	21	22	18	19	17	16	17	22
2	07	06	06	06	07	09	10	10	09	09	07	08	10	07	07	17
3	1.17	1.25	1.28	1.08	1.11	1.40	2.21	2.44	1.76	1.68	1.33	1.44	1.50	1.43	1.40	1.65
9	6.13	5.55	5.51	4.52	4.99	5.70	8.25	8.72	6.42	5.96	4.29	5.07	5.13	4.97	5.08	5.69
2	74	60	65	74	80	92	1.20	1.34	96	94	73	86	83	70	80	1.07
3	3.93	3.05	2.89	3.48	3.60	4.75	5.89	6.62	3.96	4.09	3.24	3.81	3.68	3.16	3.52	4.40
4	64	62	63	62	66	70	85	1.00	70	81	80	87	74	61	63	90
10	2.87	2.95	2.97	3.08	3.44	3.43	3.67	4.64	3.55	3.63	3.61	3.81	3.58	2.80	3.17	4.37
1	42	39	44	43	43	47	54	60	41	52	45	48	42	36	49	77
3	3.17	2.84	3.19	3.03	3.71	3.93	4.39	4.52	4.16	4.35	3.27	3.67	4.10	5.03	7.21	6.04
	05	09	14	39	31	25	34	19	09	08	07	12	13	21	17	22
2	06	10	11	09	09	09	10	10	11	11	11	11	14	13	22	30
8	07	06	12	12	11	12	14	14	14	16	16	16	16	18	27	37
2	49	47	50	51	51	45	43	37	37	43	36	23	60	60	62	56
	27	35	41	34	31	27	23	21	18	29	27	30	31	27	44	59
7	49	52	59	57	54	44	22	24	24	33	29	29	33	48	76	64
4	25	26	27	31	29	29	25	31	31	66	39	41	47	39	43	49
2	22	24	24	24	22	23	24	30	41	46	26	27	28	22	29	43
2	19	21	21	20	19	21	22	27	38	41	23	23	23	10	24	37
7	04	05	05	05	04	05	05	06	08	09	06	07	07	06	09	11
5	04	05	05	05	05	05	05	06	08	09	06	06	07	06	08	10
0	08	09	09	09	08	08	09	09	11	13	10	10	10	08	12	16
6	1.40	1.30	1.37	1.35	1.20	1.35	1.60	1.04	.93	.80	.71	.86	.91	.73	1.11	1.48
4	25	24	24	23	22	34	48	46	30	22	19	19	19	20	29	41
6	05	06	07	09	10	11	10	11	11	11	08	08	07	09	16	27
3	1.57	1.98	2.56	2.01	1.96	2.85	2.75	2.72	3.36	4.06	3.27	2.27	2.50	1.82	3.34	4.07
0	1.17	.94	1.10	.89	.90	1.04	1.08	.95	.90	.73	.57	.50	.43	.44	.70	.83
7	1.07	.94	.84	.86	1.06	1.25	1.26	1.20	1.22	1.27	1.05	1.12	1.26	1.14	1.34	1.60
5	26	29	32	36	32	41	33	30	32	37	30	38	37	33	50	68
2	28	29	33	35	33	40	31	25	31	34	25	32	30	27	41	59
5	34	36	40	43	40	50	42	38	45	49	39	49	50	43	53	75
	06	08	12	11	09	11	09	09	11	14	12	11	11	17	42	74
9	9.25	9.96	10.0	10.0	10.0	10.0	10.0						10.0			
2	9.13	9.33	9.38	9.10	8.80	8.75	8.84						9.00			
0	08	08	11	12	12	16	16	18	22	27	20	23	21	18	22	24
0	09	10	13	14	15	18	21	23	27	33	24	26	24	20	25	28
5	14	16	16	14	15	19	22	22	26	29	24	25	21	19	23	29
5	2.25	2.25	2.25	2.25	2.25	2.00	1.35	1.31	1.42	1.79	1.13	1.30	1.10	1.10	1.47	2.77
1	5.40	5.58	5.73	5.22	5.45	5.72	6.92	6.33	5.88	6.17	5.23	5.31	5.52	5.25	5.70	8.67
5	8.71	8.25	8.30	7.44	7.99	8.66	10.38	8.36	7.81	7.68	7.34	7.98	8.87	6.25	6.05	8.51
2	59	47	42	37	40	65	71	59	59	56	48	45	42	44	57	74
10	11.60	12.80	13.50	13.20	10.80	10.80	12.70	15.25	15.40	12.00	11.50	11.30	13.10	16.00	15.50	17.00
2		9.0	9.0	9.0	7.2	.09	.09	.09	.07	.06	.05	.04	.04	.04	.04	.33
2	18	17	17	17	20	24	29	24	25	26	23		22			
5	05	06	08	09	07	07	08	10	11	14	11	09	08	09	15	21
2	14	14	21	26	20	20	19	20	22	28	24	23	20	24	42	59
8	24	24	26	23	22	26	32	38	32	27	22	26	23	18	28	51
1	2.67	2.61	2.79	2.73	2.77	4.78	5.36	6.10	6.30	6.19	5.36	4.94	5.00	5.10	5.60	263
6	1.85	1.68	1.56	1.45	1.50	1.40	1.63	1.86	1.84	1.95	1.50	1.38	1.41	1.40	1.69	2.77
7	1.33	1.22	1.08	.91	.66	1.18	1.35	1.38	1.55	1.29	.99	.95	.90	1.09	1.75	2.88
3	1.54	1.56	1.25	1.33	1.38	1.38	1.68	2.08	2.79	3.00	2.95	2.92	2.96	1.81	2.25	3.08
1	1.82	1.88	1.89	1.90	1.90	1.92	2.14	2.33	2.82	3.37	3.29	3.50	3.67	4.25	4.25	4.25
95	28.17	23.50	23.46	23.50	23.50	23.50	32.83	43.33	50.00	50.00	56.67	52.50	52.50	52.50	52.50	69.17
2	6.12	6.08	6.12	6.12	6.12	5.75	5.75	5.75	5.83	6.38	6.50	6.25	6.25	6.25	6.25	9.38
9	.08	.08	.07	.07	.08	.10	.12	.12	.11	.11	.10	.10	.10	.09	.09	.11
	.12	.12	.12	.12	.12	.12	.15	.15	.14	.14	.19	.20	.18	.17	.18	.21
0	.32	.35	.42	.44	.40	.32	.30	.32	.39	.42	.40	.41	.38	.32	.29	.37
5	.05	.05	.05	.05	.05	.06	.07	.06	.06	.06	.06	.06	.07	.06		
	.11	.10	.09	.09	.09	.11	.11	.11	.10	.11	.12	.10	.10	.11	.14	.17
2	.38	.35	.32	.36	.44	.61	.57	.43	.40	.47	.46	.48	.43	1.47	1.84	3.25
2	.58	.64	.78	.75	.64	.66	.78	.86	.86	.78	.64	.61	.58	.59	.90	1.27
0	5.50	6.25	6.50	5.50	5.50	2.54	2.79	2.42	2.25	2.17	2.00	6.92	6.33	6.25	7.92	10.75
5	.33	.40	.49	.46	.69	.59	.58	.73	.79	.72	.54	.53	.49	.45	.60	.86
4	1.07	1.10	1.18	1.25	1.27	1.31	1.74	1.95	1.81	1.41	1.21	1.51	1.42	1.32	1.44	1.65
3	1.15	1.17	1.24	1.30	1.32	1.36	1.60	2.01	1.90	1.60	1.31	1.39	1.51	1.54	1.64	1.95
1	.26	.30	.34	.35	.54		.36	.41	.57	.89	.90	.79	.62	.70	.65	1.66

were thought to deserve at least passing discussion. Those readers familiar with the subject of weighting will understand that errors in weights are usually of comparatively little importance, and that it is helpful to subject ordinary arithmetical averages to weighting, even though one is forced to depend largely upon inference and upon his imagination for the actual weights that are used.*

It should be noted, moreover, in this connection that the simple index number itself contains a natural system of weighting, due to the inclusion of a larger number of varieties or grades in the case of the important articles than in the case of the unimportant articles. Thus, the food group contains 36 out of the 74 commodities, or 48.6 per cent. This natural system of weighting in the simple index number, combined with the uncertainty of the weights employed in the weighted index number, make it probable that the simple index number represents the price movement between 1825 and 1863 just as correctly, if not more correctly, than the weighted index number.

The period here under discussion was marked by rapid economic changes—perhaps the most rapid that the United States has ever seen—and all of these exercised an influence, direct or indirect, on the movement of prices. The simple index number as projected in Graph I shows a steady fall in the price level terminating in the year 1848, although this fall is interrupted by a striking period of inflation lasting from 1834 to 1836, during which the curve ascends very abruptly from an index of 100 to one of 123.

Then occurs the great fall in prices incident to the panic of 1837. Over the seven years 1836 to 1843 the drop in the price level is 34 per cent. These years of leanness are succeeded by gradual recovery until 1847. There within a year the index drops 14.5 points, touching 87.7 in 1848, the lowest point reached during the entire period. After 1848 a steady rise in values is seen, till in 1857 the maximum crest of this wave records a level of 120.3. This is, next to the index of 1836, the highest point attained in the period, if the unnatural upward distortion of the curve after 1860 is dis-

* See Bowley, *Elements of Statistics*, p. 205.

regarded. The year 1858 shows a tremendous fall in prices, resulting in an index number of only 99.5 in 1858 as contrasted with 120.3 in 1857, and it is not until 1862 that the price curve under the influence of war conditions, returns to the general level which characterized the years preceding 1858. The reasons for the sharp and abnormal rise after 1860 are too well known to call for comment.

Certain other characteristics of the price movement before 1860, however, deserve more extended discussion.

The first gradual sinking of prices from 1825 to 1830 is due to several causes. One of these was undoubtedly the feeling of insecurity which prevailed in eastern markets, where conservative business men were distrustful of the erratic administration of Jackson.* But that this was not the sole reason is evidenced by the continued fall of the curve. Other and deeper forces were at work. The need of currency which the West experienced, the Tariff of Abominations,† and the better than average crops in the opening years of the period‡ must bear the balance of responsibility for this fall in prices. This early tendency for the price curve to fall is in 1830-31 arrested by a rise of 4 per cent. But this short rise is compensated by an accelerated fall of 13 per cent. from 1832 to 1834.

The ascent of 23 per cent. from 1834 to 1836 sets off in strong contrast the slow fall just noted. High prices prevailed thereafter until well into the year 1840. Among the causes for this phenomenon an important place must be given to the abolition of the Second National Bank and the substitution of "wild cat" for conservative banking. The era of speculation which followed the apportionment among the several states of the proceeds of the land sales was largely, as is well known, a consequence of the issuance of paper money by the state banks. Prices went soaring until they reached a maximum in 1836. In that year the prices in New York of prime beef went as high as \$8.75 per barrel. Mess pork sold at \$30.00 per barrel, ham at 17 cents a pound, sugars at 12 to

* McMaster, *History of the United States*, Vol. V., pp. 121-123, 227-267; J. L. Bishop, *American Manufactures*, Vol. II., p. 342, ff.

† Bolles, *Financial History of the United States*, p. 375 ff.

‡ Benton, *Thirty Years' View*.

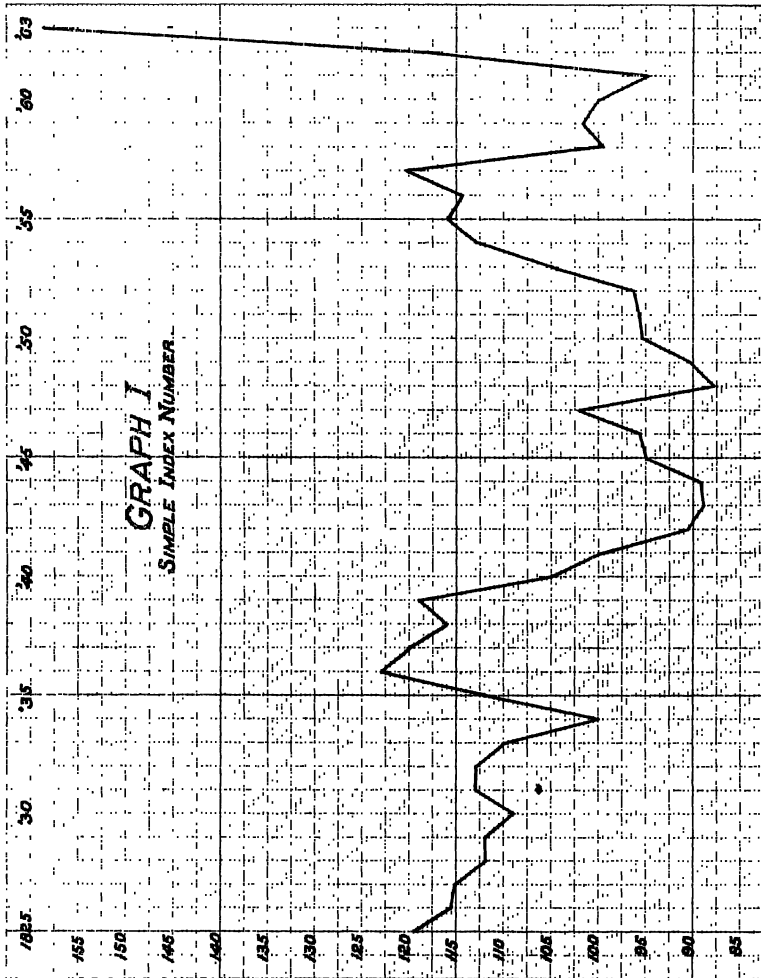
TABLE II: SIMPLE INDEX NUMBER OF YEARLY AVERAGE PRICES—NEW YORK MARKET—

		1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	1850			
ANNUAL INDEX 10 Commodities	1 Beef, Prime	140	119	151	156	122	143	134	135	138	142	185	172	201	267	264	212	136	88	118	88	138	188	198	141	287	140
	2 " Mess	120	177	174	176	178	174	164	183	181	178	214	211	267	284	286	251	174	146	138	109	160	146	221	191	226	175
	3 Pork, Prime	85	65	71	82	81	80	81	92	94	81	104	143	130	123	129	105	110	76	62	64	61	80	74	97	70	76
	4 " Mess	78	64	73	75	70	74	75	78	81	77	92	129	114	119	107	63	61	47	55	52	70	60	61	62	60	59
	5 Smoked Ham	66	60	76	58	69	71	73	69	67	64	70	81	80	67	84	84										
	6 Lard	73	72	62	64	65	72	61	62	62	71	64	136	93	100	109	91	64	55	55	51	63	61	61	65	64	56
	7 Fish, Dry Cod	65	59	70	76	68	61	71	76	71	62	73	88	90	92	100	66	67	59	64	70	69	74	89	77	66	68
	8 " Mackerel #1	32	31	32	32	33	31	39	34	40	37	43	58	59	68	81	77	75	53	55	65	75	64	60	61	64	65
	9 Butcher, Western Dairy	95	93	102	95	84	63	51	61	85	85	105	107	109	121	115	108	72	71	62	61	81	78	37	37	31	61
	10 Cheese, American	75	78	75	69	59	70	59	59	68	69	76	89	91	78	91	72	67	68	59	48	69	70	71	70	62	63
ANNUAL INDEX 9 Commodities	11 Wheat, Genesee	61	63	66	61	63	72	80	84	80	72	94	119	119	128	85	71	80	76	66	65	70	72	92	70	84	65
	12 Wheat, Flour, Superior	100	94	100	109	125	87	111	112	108	97	110	146	178	155	142	103	113	117	86	92	96	93	130	112	108	116
	13 Rye, Northern	65	65	62	65	60	78	85	101	97	80	110	126	135	126	119	72	77	79	75	82	84	90	120	83	73	78
	14 Rye, Flour, Fine	79	100	96	81	103	95	108	121	107	119	120	158	162	141	152	86	91	86	87	88	91	98	131	107	83	81
	15 Corn, Northern	75	102	62	82	76	76	96	93	99	83	122	122	139	116	116	77	75	81	74	67	73	92	119	87	84	65
	16 Oats, Meal, Northern	78	107	90	78	77	73	101	86	107	97	114	132	137	108	113	80	87	83	77	73	76	104	117	80	82	63
	17 Oats, Northern	77	110	97	72	84	74	90	112	99	86	117	126	126	95	114	62	105	12	10	77	91	94	118	100	92	104
	18 Rice	72	73	80	77	73	65	76	82	79	71	85	90	96	107	107	82	84	69	65	74	83	89	101	77	69	78
	19 Beans	137	127	181	81	57	99	93	132	216	116	116	116	58	121	303	127	76	67	115	157	76	38	68	107		
	20 Coffee, Brazil	182	107	100	92	86	79	62	69	89	79	89	89	78	74	79	81	24	59	53	50	52	52	44	71	79	79
21 Java	163	105	100	94	91	81	77	60	75	75	84	84	78	75	78	73	68	59	63	51	53	50	44	38	78		
22 Tea, Young/Hyson	165	153	161	156	154	147	184	163	125	102	105	106	103	87	116	113	125	107	100	101	97	91	85	83	68		
23 " Souehang	204	191	218	205	200	194	207	163	117	97	90	104	102	90	30	149	182	160	140	122	119	127	102	67	113	132	
24 " Imperial	409	379	382	354	360	352	372	346	278	243	247	250	247	235	235	234		200	164	191	203	153	171	150	157	171	
ANNUAL INDEX 10 Commodities	25 Molasses, New Orleans	73	71	75	70	64	63	61	64	68	62	67	92	79	78	74	66	64	44	49	63	60	62	72	63	65	58
	26 " Sugar House	150	132	161	137	127	121	100	112	111	96	107	140	132	123	114	89	82	64	71	66	69	67	69	66	66	
	27 " Nansha	127	118	132	127	110	103	108	114	114	103	117	187	151	135	127	96	55	63	63	108	107	62	96	62	87	
	28 Sugar, New Orleans	119	119	112	111	101	114	95	92	96	94	102	127	97	99	100	85	89	67	79	88	85	92	96	63	69	76
	29 " Muscovada	149	144	138	132	119	113	86	71	100	100	110	129	86	107	107	83	86	71	90	86	86	104	86	62	70	71
	30 " Loaf	182	183	183	183	183	183	183	183	182	161	163	184	188	158	167	128	100	110	113	117	113	183	82	86	90	
	31 Stale, Liverpool	238	234	246	230	254	219	211	220	202	173	195	210	218	216	194	188	173	154	160	154	151	148	149	153	142	151
	32 " Turk's Island	273	268	300	263	255	247	268	258	231	203	189	200	202	211	200	179	168		147		145	122	160	132	126	124
	33 Pepper	268	237	234	229	143	183	183	214	143	94	101	110	99	99	129	97	99	100	110	137	136	87	74	86	96	96
	34 Raisins, Muscatel	143	130	88	109	119	99	119	65	62	108	93	45	66	53	61	74	64	64	64	98	98	62	69	63	79	106
35 Nutmeg	403	384	324	310	331	331	347	340	296	204	388	300	282	262	240	202	184	181	202	235	274	331	302	272	218	251	
36 Olive Oil	75	65	72	68	63	76	74	77	92	76	93	89	76	88	84	86	104	74	67	73	72	70	92	84	74	74	
37 Wool, Common	91	82	66	67	69	60	75	75	82	82	115	119	83	105	76	73	61	55	82	73	65	71	71	79	88		
38 " Pulled	110	97	71	80	63	93	181	142	154	153	155	172	139	115	141	94	108	57	27	106	101	78	97	92	97	104	
39 " Merino	97	93	79	76	69	77	108	94	98	98	110	117	114	72	102	78	88	64	61	80	70	65	71	69	72	81	
40 Cotton, Upland	164	110	55	95	85	91	85	95	109	118	167	135	109	100	119	90	93	75	62	62	59	64	91	56	76	117	
41 Sheeting, Russia White	—	142	115	105	105	112	111	105	91	87	112	118	115	117	109	107	112	104	102	95	95	97	98	100	100	100	
42 " Russia Brown	—	108	103	99	105	111	109	103	97	84	97	113	117	106	103	99	97	52	85	86	92	104	102	101	104	101	
43 Hides, West Indies	66	59	52	56	53	57	64	55	52	47	54	52	46	41	54	53		54		52	57	47	50	37	40	51	
44 " La Plata	75	70	69	69	63	64	67	61	59	53	59	56	59	60	61	61	60	41	50	51	49	48	48	42	52	52	
45 Leather, Hemlock Sole	109	99	95	99	94	93	102	96	68	78	80	67	92	68	101	67	97	68	76	76	69	60	74	66	76	74	
46 Furs, Beaver	450	430	443	533	639	580	485	424	388	396	410	483	409	409	409	360	292	271	272	272	278	231	203	205	205	205	
47 Coal, Virginia	166	207	206	197	195	164	128	185	124	109	128	135	124	143	147	130	137	145	94	92	97	104	103	98	101	101	
48 " Liverpool	137	123	127	129	126	110	136	115	104	108	110	120	114	91	99	98	88	89	98	105	95	89	98	93	94	94	
49 Iron, English Bar	252	224	202	190	188	179	174	174	179	171	164	224	228	220	210	129	162	146	133	185	179	183	171	140	112	104	
50 " Sheet	61	64	67	64	55	56	56	56	54	27	34	53	56	50	50	50	103	38	42	53	88	88	88	88	88	88	
51 Nails, Wrought	—	—	306	297	291	295	295	295	276	272	272	306	306	301	307	306	306	264	260	250	250	250	372	—	294	200	
52 Copper, Pig	92	86	82	84	84	81	83	82	77	76	76	96	87	79	75	65	63	60	79	81	80	82	84	84	80	80	
53 Tobacco, Kentucky	74	67	64	51	71	69	58	51	62	56	100	99	95	100	101	103	103	62	60	51	51	60	60	66	76	88	
54 " " Manilla #1	80	63	58	50	59	54	54	56	57	61	66	80	81	79	104	68	63	69	65	63	63	63	67	68	70	104	
55 Whiskey, Domestic	118	129	131	101	103	112	142	135	137	111	149	186	163	167	164	111	95	61	97	108	103	98	126	101	107	113	
56 Brandy, Cognac	25	25	31	28	25	28	37	32	32	32	33	35	30	32	34	34	32	31	43	50	63	57	66	53	82	56	
57 Rum, Jamaica	61	69	75	67	89	83	77	72	73	79	81	90	93	95	100	111	114	116	104	109	115	114	118	131	119	111	
58 Gin, Scheidam	88	87	104	108	107	114	127	128	129	123	124	121	133	132	128	126	121	121	137	137	137	145	132	143	138	124	
59 Wine, Port	59	59	56	60	46	37	37	39	43	42	42	44	44	44	42	38	32	30	37	37</							

RET - 1825 - 1863. (BASE: 1860).

1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863	Avg. SAMPLE 1860s
207	140	123	129	128	155	212	186	235	170	146	100	108	127	124	154.3
226	175	171	207	177	210	222	183	237	202	147	100	102	151	132	184.7
70	76	71	95	130	114	100	137	135	154	117	100	93	83	97	82.3
60	59	78	96	90	77	98	104	111	96	92	100	89	69	80	82.1
—	—	82	71	71	71	89	100	100	100	100	100	—	—	—	80.9
64	56	73	91	100	91	100	109	127	91	100	100	82	75	90	72.5
66	68	74	90	87	89	101	101	87	89	108	100	79	101	152	81.2
64	65	59	60	81	101	130	126	112	70	85	100	70	92	105	65.6
91	91	79	115	103	115	131	125	130	106	112	100	94	103	132	98.4
62	63	61	71	87	98	97	92	90	67	85	100	74	74	120	74.8
84	85	72	74	94	148	164	117	112	89	96	100	96	94	110	89.5
108	107	88	97	110	124	170	124	116	84	99	100	97	99	111	113.1
73	78	89	97	112	144	162	116	113	88	103	100	85	86	129	92.1
83	91	95	98	113	160	180	108	112	88	104	100	86	96	121	108.4
84	85	84	89	96	115	135	95	110	108	118	100	83	84	121	95.5
82	83	86	96	96	102	130	39	101	101	105	100	78	88	122	96.9
92	104	103	103	113	128	143	98	125	108	115	100	85	115	183	103.3
69	78	74	91	96	107	113	102	106	80	90	100	123	176	147	90.2
68	107	236	236	194	257	145	60	62	50	91	100	159	128	169	125.8
71	79	66	66	64	74	74	80	82	77	79	100	93	161	222	83.8
38	78	72	69	72	84	84	88	97	100	91	100	113	172	231	86.5
83	86	85	85	75	71	61	62	71	60	38	100	100	103	93	105
113	132	110	99	88	76	70	58	83	89	98	100	87	143	183	128.8
157	177	174	164	132	68	73	73	101	88	88	100	145	231	194	215.1
55	58	65	62	61	53	66	109	140	83	87	100	84	92	105	71.7
86	86	86	79	79	86	105	146	164	93	96	100	78	102	155	102.6
87	92	87	81	92	98	120	168	178	97	101	100	81	104	162	109.8
62	76	76	57	68	70	81	113	128	85	97	100	90	128	152	98.8
70	71	71	71	71	72	88	119	132	86	86	100	86	115	162	102.9
86	90	91	81	84	91	88	109	129	103	100	100	82	117	150	129.2
142	151	148	132	149	125	114	102	88	78	94	100	80	121	163	163.9
126	124	119	113	181	247	231	158	116	97	97	100	105	153	211	191.5
86	96	129	143	157	144	157	152	152	119	119	100	129	229	386	143.1
79	102	81	78	114	110	109	135	163	91	91	100	73	134	163	96.2
218	256	231	209	242	252	221	209	170	135	116	100	102	163	193	295
74	74	68	84	99	99	95	97	101	83	89	100	91	106	143	84.1
79	88	97	87	112	88	80	88	100	81	104	100	88	136	185	85.5
97	108	115	108	132	101	83	103	111	82	106	100	89	137	196	111.9
72	81	86	80	100	84	75	90	98	78	98	100	86	106	150	88
76	117	101	82	100	85	82	100	132	108	100	100	135	382	673	101.7
100	100	100	100	100	100	—	—	—	—	—	100	—	—	—	102.1
104	104	101	98	97	98	—	—	—	—	—	100	—	—	—	97.2
40	51	55	57	71	78	85	105	128	96	109	100	85	108	117	65.9
42	52	56	62	77	93	96	112	137	102	110	100	83	103	120	70.3
76	74	68	72	88	103	106	122	136	112	119	100	93	109	137	92.4
205	205	205	205	182	123	119	129	163	103	118	100	100	134	252	300.8
101	104	95	99	104	125	115	107	112	95	96	100	95	103	157	122.3
93	94	84	90	109	117	94	88	87	83	90	100	71	68	96	102.2
112	100	88	95	155	169	141	141	133	114	107	100	105	136	126	158.2
98	103	101	82	82	97	120	118	92	88	86	100	122	118	130	75.6
204	204	204	170	143	213	193	154	135	110	87	100	91	96	749	228.3
80	80	81	89	109	131	112	116	110	105	118	100	—	—	—	89.9
76	99	108	81	87	101	119	139	117	135	106	100	115	187	262	95.7
70	106	129	98	101	95	99	111	140	121	118	100	120	213	290	89.9
107	113	104	99	111	144	167	144	120	99	112	100	80	126	228	123.1
52	56	55	55	96	107	122	126	124	107	99	100	102	112	153	60
119	111	103	106	99	116	132	131	138	106	98	100	99	120	196	103.2
136	120	101	96	131	150	153	172	144	110	106	100	121	195	331	131.1
53	42	45	47	47	57	71	85	102	100	99	100	61	93	104	55
51	52	52	52	52	58	64	77	92	90	95	100	116	116	116	61.1
45	45	45	45	45	63	82	95	95	108	100	100	100	100	132	53.7
97	98	98	98	92	92	92	93	102	104	100	100	100	100	150	97.8
75	68	67	82	97	116	117	108	107	95	107	100	87	94	112	86.6
69	64	64	64	67	84	83	79	79	107	112	100	96	101	116	73.5
93	111	116	105	84	78	85	103	110	106	108	100	83	77	98	82.3
69	69	69	74	91	102	89	88	86	85	95	100	85	—	—	88.7
95	90	89	92	107	107	104	104	109	115	94	100	106	139	164	109.6
82	72	84	103	142	133	101	95	110	108	112	100	342	428	757	90.3
110	134	129	110	114	134	148	148	134	110	105	100	102	155	236	133
99	103	87	87	119	123	117	122	113	111	109	100	99	125	170	113.4
81	99	94	141	120	119	149	161	147	110	108	100	91	121	186	88
77	83	88	89	92	123	138	128	99	85	107	100	93	101	116	72.4
77	82	86	87	90	106	133	126	99	87	92	100	102	108	129	76.4
37	42	42	65	—	44	50	69	109	111	97	100	85	104	190	50.9
90.2	95.4	95.7	96.3	105	112.9	118.9	114.4	120.3	129.5	101.6	100	94.7	118	158.7	103.9

18 cents a pound. Other commodities were correspondingly high, as may be seen from Table I. Added to this, the crops in 1835 were a failure.* Wheat was imported in October,

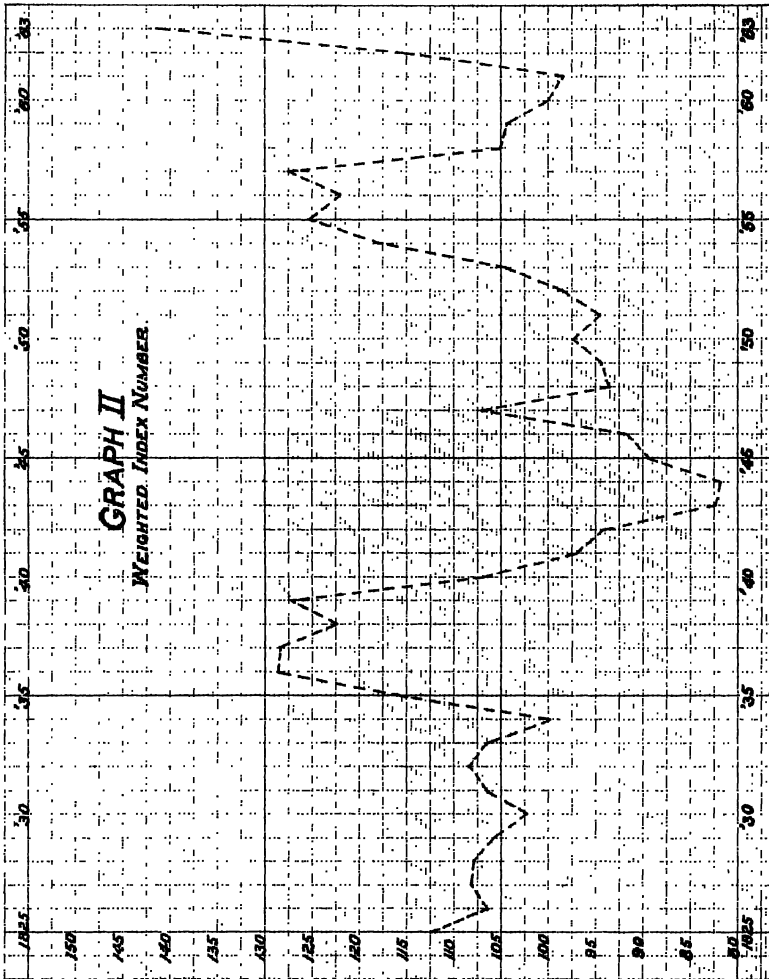


1835, and continued to be imported until the following spring. Flour was then quoted at from \$8.00 to \$16.00 per barrel.

On top of this crop failure came Jackson's specie circular.

* Benton, Thirty Years' View.

Even after that prices bore up for fourteen months longer. Then came the crash. In 1837 the imports into the United States for consumption fell to \$113,250,000, a drop of \$76,730,-



000 from 1836. The sales of public lands fell to \$6,750,000, a decrease of \$18,000,000. The values of urban real estate were in some places cut in half. Before 1837 money had been borrowed on the basis of the prevailing inflated values, and

with the collapse of credit it became almost impossible for debtors to meet their obligations. In Mobile, Alabama, about 90 per cent. of the merchants failed, and in New Orleans practically every important business house found it impossible to pay its debts. Industry was for the time being suppressed. There was no manufacturing; the mills were closed. In May, 1837, the banks suspended specie payment. The government expenditures were almost doubled in one year, and as a result the treasury experienced a deficit of about \$12,000,000. The states fared even worse than the national government, and twelve of them repudiated their debts during the panic.

President Van Buren, who succeeded Jackson in 1836, reaped the whirlwind which Jackson had sown. With admirable nerve, ignoring thousands of petitions that voiced the popular distress and clamored for a change, he hewed to the line of policy that had been laid down by his predecessor. He did not lay the crisis at the door of Jackson for overturning the National Bank, but stated that the country must carry out the positive plan of being its own banker; that private and public finance must be separated.* He fathered the sub-treasury system substantially as it exists today, and it was carried into effect in 1840, after Congress had hammered at it during all the interim. This left, nevertheless, the old, vexing question of the currency. The administration thought in line with democratic principles that the banking problem should be left for solution with the separate states. In 1837, by the president's recommendation, an extra session of Congress passed a bill authorizing the issue of \$50,000,000 in treasury † notes; \$40,000,000 of these were donated to the states in four installments.

This attempt to revive credit and business shows itself very distinctly in the curve of prices for the years 1838-39 (Graph I). The president in his message to Congress in the spring of 1839 states:

"By the curtailment of paper issues, by the sanguine and adventurous spirit of speculation, confidence has been restored both at home and abroad."

* Sargent, *Public Men and Events*.

† Finance Reports, 1863, pp. 313-315.

But a relapse followed in 1839-40 as appears from the sudden descent of the price curve from an index of 119 in 1839 to one of 105 in 1840. In succeeding years, while the fall is not so rapid, it still continues, until in 1843 it reaches the lowest trough of this wave, 89 per cent. The general suspension of specie payments in May, 1837, had been followed by a reduction of bank currency in 1838 from \$169,000,000 to \$116,000,000. In 1839 it increased again to \$135,000,000, the banks then preparing for resumption of specie payments.* This had been effected in 1838 by the banks of New England and New York, but in the South and West resumption was not effected until 1842.

The Independent Treasury Act of 1840 provided that one fourth of the public revenues were payable in gold and silver after June 30, 1840, another fourth after June 30, 1841, another fourth after June 30, 1842, and after June 30, 1843, all public revenues, including postage, were made payable in specie. The results of this act were almost immediately apparent. For this and other more significant reasons, the fall of the price curve is greatly arrested after 1842 until in 1844 it again begins to climb.

But in the year 1843 a remarkable depression in the prices of nearly all staple articles in the home market is noticed. Prime beef was sold in the New York market at \$2.75 per barrel; hams at three and four cents per pound; unrefined sugar at four and five cents per pound; tobacco at two and three cents per pound; nails at four and five cents per pound; cotton at five and six cents per pound; and hops at six and seven cents per pound. Articles of foreign production were also held at prices much lower than in previous years: viz., coffee, six to seven cents per pound; port wine, fifty cents per gallon; Scotch pig iron, \$22.50 per ton.† The influences of the tariff of 1842 were felt in the better prices which prevailed toward the close of 1843. In 1846 a general reduction of tariff duties took place; but trade conditions were steadily improving, and prices accordingly rose. The ten years 1846 to 1855 constituted a period of unusual economic development, and

* Finance Report, 1863, p. 311.

† Finance Reports, 1863, p. 321.

this is especially true of the years 1846 to 1850. At this time railway construction was in full swing; transportation facilities by land and water were being rapidly improved; and many new inventions of great importance, such as the telegraph, were being introduced.

We see from the graph of the general index number that beginning with the year 1848 this price curve takes another series of ambitious upward dashes. If the curve were smoothed from the beginning to the end of the whole period, it is notable that there would be a steady descent to 1848, then a steady rise for the rest of the period. Practically the same phenomenon occurred in the English price movement of this period, and formed the subject matter of Jevons' classical investigation of the amount of price inflation ascribable to the influx of Californian and Australian gold. In measuring this inflation Jevons used two methods. First, following a previous investigation by Cobden, he ascertained the average ratios of the prices of fifty chief articles of English commerce during the years 1850 to 1869, in relation to their average price in the year 1849. Secondly, he compared the two years 1858 and 1867 in which prices were lowest after the influx of new gold, with the prices in 1849, and found by this comparison what may be called the elevation of the normal price minimum. The two computations led Jevons to conclude that a permanent rise in prices of 18 per cent. had been accomplished. This, said Jevons, can only be attributed to the gold influx, since the other causes that entered to influence prices were at work as well before as after 1850; and since, according to Professor Cairnes, "the effect of these (the gold) discoveries is probably much greater than we can prove, because the course in prices was in previous years decidedly downwards, so that the new gold has both prevented a further fall and occasioned a rise in its stead."*

The following table supplies a comparison of our index numbers with the data from which Jevons computed the above result. The American index numbers have been recomputed on the basis of prices in 1848. The latter year was made the datum line for this comparison, because it

* Jevons, *Investigations in Currency and Finance*, pp. 152-159.

marks the lowest point of prices in this period, whereas the year 1849 marks the minimum price level in the table of Jevons.

Year.	Jevons Average Ratio of Prices to those of 1849.	Our Average Ratio of Prices to those of 1848.
1847.....	122	116.5*
1848.....	106	100.0
1849.....	100*	102.9
1850.....	101	108.8
1851.....	103	109.1
1852.....	101	109.8
1853.....	116	119.7
1854.....	130	128.7
1855.....	125	132.2
1856.....	129	130.4
1857.....	132	137.2*
1858.....	118*	113.5
1859.....	120	115.8
1860.....	124	114.0
1861.....	123
1862.....	124
1863.....	123
1864.....	122
1865.....	121
1866.....	128
1867.....	118*
1868.....	120
1869.....	119

* Points of lowest price.

Following Jevons' methods, so far as our more limited data permit, it appears from the table that the normal price minimum was raised from a point represented by 100 in 1848 to a point represented by 113.5 in 1858—an increase of 13.5 per cent. The average of these index numbers for the years 1849 to 1860 inclusive—the war prices have to be ruled out in the American comparison—is 118.5 as compared with 100 in 1848.

Probably a better method of measurement for this country is found in a comparison of average prices in the ten years preceding 1848 with similar average prices in the ten years following 1848. Such a comparison was made and indicates that the price level was about 8.3 per cent. higher in the latter decade. Similarly the differences between the medians of the indices for ten years before and after 1848, made relative to

that year, was found to be from 5.2 to 10.7 higher for the latter ten years. In general it appears from these results that the effect of the new gold discoveries was somewhat more moderate in the United States than in England. This difference may be due to the fact that our measurement embraces three periods of business collapse and only two boom periods, while in the range of Jevons' later investigation the lean and fat years were more evenly represented.

From this brief discussion of the effect of the gold discoveries upon prices, we may return to note some of the other influences affecting the price movement. The Crimean war occasioned a large demand for breadstuffs and provisions from the United States. This is apparent in the higher prices of these commodities in 1855 over 1854. The importation of woolen and cotton goods and of iron was encouraged in following years by the reduced tariff which took effect in 1857. This necessitated the exportation of a large balance in coin and bullion, which may in part explain the relatively greater rise in prices in England as seen by Jevons' index numbers for these years.*

The years 1848 to 1857 were gala years of prosperity with only slight relapses in 1855 and 1856, an effect of the autumn of 1854, when there was a stringent money market and hard times, due to a panic in Wall Street. A noticeable depression is indicated by the price curve for 1855 to 1856. The succeeding year shows a brisk revival, and the curve mounts 4.4 per cent. more than it fell the previous year.

But after 1857 another serious crisis forces the index to drop from 120.3 to 99.5, which is the greatest drop for any one year during the period. This panic was caused by venture-some railroad building from 1846 to 1857. The speculation in stock and real estate was nearly as reckless as it had been in the years of 1834 to 1836,† and the Western banks were again indulging in an almost unchecked issue of paper money. As a result there was much extravagant living and an increased consumption of European luxuries. Horace Greeley wrote in 1857: "Set thy house in order; we are on the eve

* Jevons, *Investigations in Currency and Finance*, p. 46.

† Blaine, *Twenty Years in Congress*, Vol. I., p. 207, ff.

of great financial trouble, for we have run too deeply in debt abroad. We are heavily in debt in Europe. Our merchants and bankers owe those of Great Britain and the continent. The country owes the cities, the farmers owe the merchants, two thirds of us are in debt."

Many explained the crisis as a direct result of the tariff of 1846, which induced the heavy buying of goods abroad and drained the country of specie to settle an unfavorable balance of trade. But it is safe to say that the paltry tariff reduction of five per cent. in the years 1846 to 1857 did not have such a great influence as politicians tried to establish. Overspeculation, caused by expansion of bank loans, inflated credit, and the stimulating influence of new gold are nearly if not quite sufficient to explain the depression.

By July, 1857, the general complaint of hard times was heard. When in August the Ohio Loan and Trust Company of Cincinnati failed, panic immediately resulted. Bankers and brokers were unable to meet their obligations. Deposits and consequently loans contracted in volume. The interest on loans rose by 3, 4, and 5 per cent. in one month. In September the banks of New York, Philadelphia, and New England suspended specie payments, as did later financial institutions all over the country. Merchants and manufacturers failed everywhere. The decline in prices was alarming, as is seen from the price curve. Flour and pork fell from an average price of \$5.96 and \$19.95 per barrel, respectively, in 1857 to \$4.29 and \$17.19 in 1858. The prices of almost all commodities depreciated from 25 to 75 per cent. Wages fell off. In New York City alone there was an army of thirty to forty thousand of unemployed. Rich and poor suffered alike.

But the panic was of short duration. In the next spring recovery is apparent. Gold came from England and California. Specie payments were resumed. Prices rose.* The machinery of commerce was once more able to speed up. During the summer of 1858 money was easy again. But in 1859 and 1860 a decline in the general price level is noted.

* Blaine, *Twenty Years in Congress*; Schouler, *History of the United States*, Vol. IV, p. 386, ff.

TABLE III: WEIGHTED INDEX NUMBERS OF YEARLY AVERAGE PRICES — NEW YORK MARKET

		Weight	1825	1826	1827	1828	1829	1830	1831	1832	1833	1834	1835	1836	1837	1838	1839	1840	1841	1842	1843	1844	1845	1846	1847	1848	1849	
Actual Prices 10 Commodities	1 Beef, Prime	8	1260	1071	1359	1404	1548	1287	1206	1179	1242	1278	1283	1249	1209	1235	1230	1240	1240	1240	1240	1240	1240	1240	1240	1240	1240	
	2 " Moss	5	1530	1593	1566	1594	1592	1556	1476	1647	1628	1592	1592	1603	1603	1556	1574	1565	1565	1565	1565	1565	1565	1565	1565	1565	1565	
	3 Pork, Prime	5	365	295	320	370	415	360	410	415	425	385	415	450	500	560	585	575	575	575	575	575	575	575	575	575	575	
	4 " Moss	5	330	320	365	375	350	365	375	390	405	380	460	645	590	595	535	535	535	535	535	535	535	535	535	535	535	
	5 Smoked Ham	1	65	69	76	68	68	71	73	63	67	65	70	91	90	87	84	84	84	84	84	84	84	84	84	84	84	
	6 Lard	3	237	195	228	171	147	216	243	225	225	213	252	368	219	288	342	342	342	342	342	342	342	342	342	342	342	342
	7 Fish, Dry Cod	2	130	119	156	152	132	122	148	152	142	146	146	176	160	184	200	190	190	190	190	190	190	190	190	190	190	190
	8 " Mackerel #1	2	84	62	64	64	66	70	76	74	80	74	86	76	118	136	136	136	136	136	136	136	136	136	136	136	136	136
	9 Butter, Western Dairy	4	380	372	408	380	336	332	364	364	380	380	430	428	426	426	426	426	426	426	426	426	426	426	426	426	426	426
	10 Cheese, American	1	75	70	74	59	59	59	59	59	59	69	75	89	91	79	91	91	91	91	91	91	91	91	91	91	91	91
Preserved Prices 9 Commodities	11 Wheat, Genesee	10	610	630	660	610	630	720	800	840	800	720	940	1180	1180	1220	850	740	740	740	740	740	740	740	740	740	740	
	12 Wheat Flour, Superior	10	1000	940	1000	1080	1280	970	1110	1120	1080	970	1100	1460	1750	1530	1420	1420	1420	1420	1420	1420	1420	1420	1420	1420	1420	1420
	13 Rye, Northern	6	380	510	492	390	480	468	570	682	682	480	680	750	800	750	740	740	740	740	740	740	740	740	740	740	740	740
	14 Rye Flour, Fine	6	474	600	576	516	610	538	648	726	642	564	720	940	1092	834	792	792	792	792	792	792	792	792	792	792	792	792
	15 Corn, Northern	4	300	408	378	328	304	304	380	372	356	356	448	440	572	446	452	452	452	452	452	452	452	452	452	452	452	452
	16 Corn Meal, Northern	4	312	428	360	312	308	282	404	394	368	368	528	540	682	512	512	512	512	512	512	512	512	512	512	512	512	512
	17 Oats, Northern	3	231	342	291	216	252	291	270	327	294	253	339	378	370	246	316	316	316	316	316	316	316	316	316	316	316	316
	18 Rice	3	219	216	237	231	219	185	225	226	234	213	252	270	294	318	321	321	321	321	321	321	321	321	321	321	321	321
	19 Hops	1	137	127	101	51	57	99	39	139	216	116	116	116	58	58	121	121	121	121	121	121	121	121	121	121	121	121
	Current Prices 10 Commodities	20 Coffee, Brazil	4	508	408	460	368	364	332	338	356	356	348	356	356	332	296	296	296	296	296	296	296	296	296	296	296	296
21 " Java		4	482	420	420	356	364	364	308	360	360	360	366	356	336	300	300	300	300	300	300	300	300	300	300	300	300	300
22 Tea, Young Hyson		2	330	306	323	312	308	294	328	326	250	204	210	212	206	194	212	212	212	212	212	212	212	212	212	212	212	212
23 " Souchong		2	408	382	436	410	406	392	414	326	234	184	180	200	204	180	180	180	180	180	180	180	180	180	180	180	180	180
24 " Imperial		2	818	738	764	708	730	704	744	692	446	406	294	500	494	470	470	470	470	470	470	470	470	470	470	470	470	470
25 Molasses, New Orleans		2	146	142	150	140	128	126	122	128	136	124	134	184	158	158	140	112	112	112	112	112	112	112	112	112	112	112
26 " Sugar House		2	300	324	322	274	274	240	220	220	221	222	182	214	280	284	246	246	246	246	246	246	246	246	246	246	246	246
27 " Havana		2	254	236	264	254	220	208	216	228	228	208	234	314	304	270	254	192	192	192	192	192	192	192	192	192	192	192
28 Sugar, New Orleans		3	354	354	336	333	303	318	255	276	280	242	306	381	291	284	261	265	265	265	265	265	265	265	265	265	265	265
29 " Muscovada		3	432	382	386	336	354	339	321	287	342	330	330	412	342	321	321	321	321	321	321	321	321	321	321	321	321	321
Cloth, Wool, &c. 10 Commodities	30 " Lard	3	446	548	549	549	549	549	489	489	486	483	429	428	474	427	474	474	474	474	474	474	474	474	474	474	474	474
	31 Salt, Liverpool	1	289	284	248	229	254	219	211	220	202	173	185	210	218	218	184	184	184	184	184	184	184	184	184	184	184	184
	32 " Turk's Island	1	273	268	300	263	255	247	268	258	231	203	189	200	202	210	200	178	178	178	178	178	178	178	178	178	178	178
	33 Pepper	1	240	237	234	213	183	183	193	205	133	84	101	102	99	119	97	97	97	97	97	97	97	97	97	97	97	97
	34 Raisins, Muscatel	1	143	130	99	109	119	99	99	105	82	110	97	45	60	53	60	60	60	60	60	60	60	60	60	60	60	60
	35 Nutmeg	1	493	311	311	310	331	330	347	340	297	244	328	300	282	279	240	240	240	240	240	240	240	240	240	240	240	240
	36 Olive Oil	1	74	66	77	63	63	76	74	77	82	74	93	89	76	88	82	82	82	82	82	82	82	82	82	82	82	82
	37 Wool, Common	3	273	246	204	201	177	160	225	225	264	246	276	345	327	349	315	283	283	283	283	283	283	283	283	283	283	283
	38 " Pilled	3	344	285	213	240	249	273	543	426	468	468	516	417	345	363	286	286	286	286	286	286	286	286	286	286	286	286
	39 " Merino	3	291	278	234	228	207	231	306	262	294	244	330	351	342	251	306	283	283	283	283	283	283	283	283	283	283	283
Miscellaneous Goods 9 Commodities	40 Cotton, England	10	1720	1100	950	850	850	850	850	1180	1180	1180	1730	1730	1080	1080	1260	1260	1260	1260	1260	1260	1260	1260	1260	1260	1260	
	41 Sheeting, Russia White	1	142	115	105	105	113	112	111	105	31	87	112	118	115	112	109	109	109	109	109	109	109	109	109	109	109	109
	42 " " Brown	1	110	108	103	99	105	111	109	103	97	84	97	113	117	108	102	99	99	99	99	99	99	99	99	99	99	99
	43 Hides, West Indies	2	130	118	104	112	106	114	128	110	104	94	108	104	92	82	101	106	106	106	106	106	106	106	106	106	106	106
	44 " La Plata	2	130	140	134	138	126	128	134	122	116	106	116	116	126	126	126	126	126	126	126	126	126	126	126	126	126	126
	45 Leather, Hemlock Sole	2	218	198	180	198	198	186	204	182	178	136	180	174	188	176	208	174	174	174	174	174	174	174	174	174	174	174
	46 Furs, Beaver	1	440	480	479	512																						

MARKET - 1825 - 1863. (BASE: 1860).

1847	1848	1849	1850	1851	1852	1853	1854	1855	1856	1857	1858	1859	1860	1861	1862	1863
1782	1259	1063	1367	1107	1161	1153	1404	2172	1674	2115	1530	1214	808	872	1143	1116
1989	2619	2034	1575	1539	1863	1583	1899	1990	1657	2733	1822	1323	900	990	1359	1198
440	320	343	329	430	535	515	650	620	615	700	530	425	500	443	390	465
405	310	300	295	340	480	450	385	490	520	555	480	480	500	480	345	400
				62	71	71	71	89	100	100	100	100	100	100		
243	185	174	168	144	255	270	249	273	303	363	273	242	300	240	245	270
62	159	132	136	174	180	164	176	200	202	194	178	220	200	158	202	304
20	102	88	130	118	120	172	202	248	252	224	138	180	200	140	164	210
388	388	364	368	320	464	440	460	524	576	520	440	460	400	380	416	538
71	64	62	63	61	71	87	98	97	92	96	67	85	100	74	74	125
920	780	840	650	720	740	940	1480	1640	1210	1120	890	950	1000	960	940	1100
1270	1190	1070	1030	880	970	1100	1740	1650	1240	1160	820	990	1000	970	990	1000
220	534	438	468	534	582	672	864	372	696	684	528	616	600	510	576	774
746	642	498	466	440	588	678	950	1080	1080	672	528	648	600	576	576	728
476	348	336	340	336	356	388	448	528	388	440	432	464	400	382	336	404
488	320	328	332	344	384	388	408	520	396	404	404	424	400	312	352	488
354	300	276	312	309	306	338	384	428	309	375	324	345	300	258	345	549
303	234	210	224	222	233	228	324	353	306	321	240	270	300	269	531	438
76	38	69	107	968	236	194	257	145	60	62	50	91	100	159	128	169
208	176	208	348	264	264	276	296	296	320	328	308	252	400	384	644	888
200	176	196	312	288	276	288	336	336	352	388	400	364	400	452	688	924
182	170	166	172	170	170	182	122	124	142	142	120	76	200	200	206	188
204	174	206	284	238	198	176	152	140	116	186	178	136	200	174	286	386
342	300	314	354	348	328	264	126	146	146	202	178	176	200	290	452	388
144	108	110	116	130	124	122	106	132	218	280	186	174	200	168	182	210
192	158	172	172	172	158	138	172	210	292	328	186	192	200	150	204	310
182	164	174	184	162	182	134	186	240	336	356	194	202	200	162	208	324
208	174	207	228	228	195	204	210	243	339	380	285	291	300	270	383	456
288	186	210	240	234	213	213	286	264	347	396	288	291	300	258	345	486
309	246	258	208	273	243	252	273	264	327	387	309	300	300	246	321	430
149	153	142	131	148	132	149	175	114	102	88	78	84	100	80	121	163
160	132	126	124	119	113	101	247	231	158	116	97	97	100	105	133	211
87	74	70	96	110	124	144	144	145	152	152	119	119	100	110	215	362
71	65	82	106	84	81	114	110	109	135	163	95	95	100	76	134	161
302	272	219	256	231	207	242	251	241	209	169	133	116	100	100	163	183
92	84	74	74	68	84	99	99	95	96	104	83	89	100	90	106	143
213	213	237	264	291	261	336	284	240	264	300	243	312	300	264	408	555
291	276	291	324	365	324	356	303	243	309	333	248	318	300	267	309	508
213	207	216	243	258	240	300	252	225	270	294	234	294	300	258	318	450
970	560	760	1170	1010	880	1000	880	880	1080	1320	1080	1070	1000	740	1340	6730
97	87	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
102	101	104	104	101	98	97	98	100	100	100	100	100	100	100	100	100
100	74	80	102	110	114	142	138	170	210	256	192	218	200	170	216	234
96	76	84	104	112	124	154	186	180	224	234	204	220	200	166	206	240
148	132	146	148	136	144	176	206	212	244	272	224	232	200	186	216	274
205	205	205	205	205	162	124	119	129	163	103	118	100	100	100	138	232
308	294	303	312	285	297	312	375	345	321	336	285	288	300	285	308	421
261	234	279	282	252	273	327	351	285	284	261	249	273	300	225	294	288
344	276	220	186	170	186	304	338	272	278	262	226	210	200	216	268	346
184	184	186	206	202	184	164	200	240	238	182	184	174	200	244	238	260
372	204	204	204	170	193	213	193	164	135	110	87	100	91	96	749	
84	84	80	80	81	89	119	131	112	118	110	119	118	100			
240	264	304	336	432	324	348	404	476	556	700	540	424	400	460	748	1048
268	272	280	324	516	392	404	388	336	444	560	484	473	400	480	452	1162
252	214	214	226	208	188	222	288	334	288	240	188	224	200	160	332	456
112	106	104	112	110	110	132	214	244	252	248	214	188	200	204	224	306
115	131	115	107	102	104	99	115	132	131	190	103	99	180	98	114	137
152	147	135	140	101	96	130	150	153	172	163	170	105	100	121	185	331
32	53	53	43	47	42	43	57	75	95	105	100	99	100	62	93	105
49	50	51	51	52	52	52	58	63	77	92	90	95	100	116	116	118
88	106	90	90	90	90	90	124	164	190	190	216	200	200	200	200	278
98	98	97	99	98	98	92	92	93	102	104	100	100	100	100	100	130
87	80	75	68	67	82	87	116	117	108	107	95	107	100	87	94	112
63	69	64	64	64	64	67	84	83	79	79	107	112	100	96	101	116
80	84	93	111	116	105	84	78	85	103	110	106	108	100	83	77	79
69	80	69	69	69	74	81	102	89	88	86	85	95	100	85		
111	107	95	90	89	92	107	107	104	104	100	115	94	100	106	139	164
99	89	82	72	84	103	142	133	181	95	110	108	112	100	34	43	76
232	200	220	268	258	220	228	268	286	286	268	220	210	200	204	310	472
67	87	99	103	87	87	119	123	117	122	113	110	109	100	99	126	170
144	136	162	198	188	282	240	238	298	322	294	220	216	200	182	242	382
146	150	154	166	176	178	194	246	276	236	198	170	214	200			
150	132	164	164	172	174	180	212	266	256	198	174	184	200	204	216	246
38	31	40	42	42	66		44	50	69	109	111	97	100	85	104	190
1071	933	943	913	945	984	1048	1178	1253	122	1228	106	1044	100	984	115	1403

This decline continued at a slightly increased rate during the next year. It was probably due to the set-back to our national commerce caused by the growing gulf between North and South.

If we confine attention to the relative prices of the separate commodities, the economic law, laid down by Cairnes* and confirmed by Jevons, is revealed: that vegetable products are much more variable in price than animal products, since the former depend entirely upon the seasons. Hops are the most variable, as may be seen from Table II. They range in price from an index of 51 in 1828 to 303 in 1840. As might be expected, the grains,—wheat, rye, and oats,—are next in order of variableness.

The addition of the cost of manufacture to the price of the raw material ought, it would seem, to steady the price of the completed commodity. This seems to be confirmed by the statistics. Thus in 1843, when crops were unusually bad, wheat dropped from an index of 76 to one of 66. Wheat flour dropped only from 96 to 92. Other commodities of the list show the same to be true, even though the manufacturing process that entered into them was but slight. If there were enough manufactured articles in our list to justify such a study, it would be interesting and valuable to note what respective effects slack and prosperous times have had on the variableness between raw and manufactured products.

In Graph III the simple index numbers of four commodities, wheat, wool, cotton, and iron, have been plotted. The curves of these are seen to be much more irregular than the curve of the general index, showing clearly how the conditions governing any one commodity or even a restricted group of commodities, cannot be made a criterion, except in a very general way, of the general tendency of a market. This is so even though yearly averages be taken. There is only a general correspondence, in these separate commodity curves, to what one expects to find after having studied the general index curve.

Wheat begins the period with a tendency contrary to what

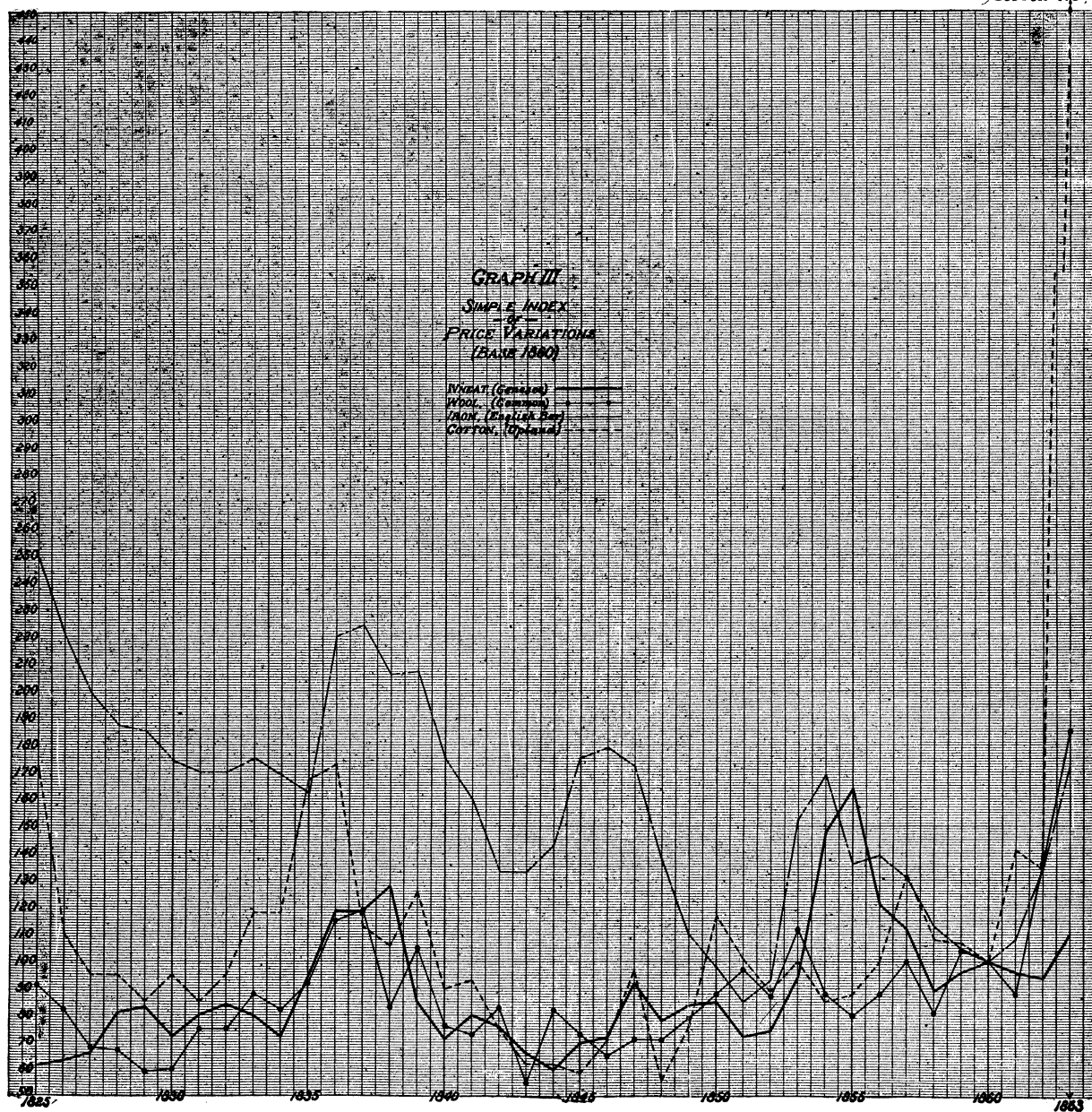
* *Essays in Political Economy, Theoretical and Applied*, 1873.

would be expected, although the other three commodities have the same downward tendency which we noted in the general index curve. The rise of wheat in times of falling price can not be explained except by poor harvests of this staple, especially in foreign countries.* In times of wide commercial distress, as after 1825, the tendency will also be for the necessities to remain constant in price, while the luxuries and articles that may be dispensed with when money is tight fall in price. This tendency of wheat to remain constant in times of price depression, its scarcity at home and exportation abroad would seem to explain the rise of wheat in these early years of the period. Throughout the whole period the variations in price of wheat are less than the fluctuations of the other three articles. If the curve of wheat were smoothed it would show a general rise after 1850. This is also true of the other commodities that have been graphed.

Iron fluctuates most in price. It illustrates very plainly Carnegie's saying that the iron and steel business is either a prince or a pauper. With almost vertical ascents in the boom years, 1835 to 1836 and 1852 to 1853, it falls almost as steeply from 1839 to 1842 and 1854 to 1859. It is remarkable that in the latter years the fall in iron predated that of the general index by about three years. This was doubtless caused by the large importations which then competed with home-produced metal, for the tariff of 1846 encouraged the importation of iron. The other fluctuations of iron, except the unusual fall from 1847 to 1851, are quite in conformity with the general index curve, though more pronounced.

Cotton has a peculiar course. It makes a deep descent from 1825 to 1827, then bobs up and down in about equal measure until 1831. There it begins a great rise, which holds out till 1836. Then it falls, following the general course of prices roughly, with slight recoveries in 1838 to 1839 and 1840 to 1841. The low point of this trough is reached in 1845. After that, beginning a year later than the rise of the general index, it mounts for two years, then falls to the lowest depth of trough in 1848. In this respect cotton alone corresponds with the general index number. Wheat has its minimum

* *Journal*, London Statistical Society, Vol. XLII, p. 260.



price in 1844, wool in 1843, and iron in 1851. After 1848 cotton has a general bobbing ascent throughout the rest of the period. In 1862 it mounts skyward faster than any other commodity except wrought nails. This jump in price of cotton is readily explained by the great fall in its production in consequence of the war in the South.

Wool has a very irregular course. It follows the general downward trend of prices until 1829. The high prohibitive tariff of these early years discouraged the woolen industry. But in 1832, when this condition was removed, the price of wool mounted by bounds. It conforms generally to the course of average prices, except that it is never affected by such great rises in the boom periods. The railroad boom before the panic of 1857 did not so markedly raise its price as it did the price of iron and wheat. Cotton showed the same tendency as wool at this time, although cotton was as much affected by the speculation preceding 1837 as was iron, while wheat and wool were about equally affected in a less degree. Wool has many more lesser fluctuations than any of the other commodities. This is doubtless because it was not traded in as extensively in the market, but bought and sold mostly in jobbing lots.